

Appln. No. 09/630,595  
Amendment and Response to Office Action dated April 20, 2005  
July 18, 2005

### **REMARKS**

This Amendment and Response is filed in response to the Office Action mailed on April 20, 2005 ("Office Action"). Claims 26, 28-33 and 35-40 are pending. The Office Action indicates that claims 26-33 and 35-40 are pending. Applicants request acknowledgement of the cancellation of claim 27 in the Amendment and Response filed on June 4, 2003. *See, e.g.*, Amendment after Final Rejection dated November 12, 2004 at p. 6. Further, Applicants request withdrawal of all rejections and/or objections to canceled claim 27. *See id.*

Claims 26, 30-33 and 37 have been amended. No new matter has been included in the claim amendments. Support for these amendments can be found in the specification as originally filed at least at p. 3, line 17 to p. 4, line 3; and p. 9, line 15 to p. 10, line 10.

#### **I. Consideration of References Cited In IDS Filed on February 10, 2003.**

In the Amendment after Final Rejection dated November 12, 2004, Applicants requested consideration of the references listed on an Information Disclosure Statement that was originally filed on February 10, 2003. In response, in the Advisory Action mailed on November 29, 2004, the Examiner stated that the "alleged" IDS "as stated in Applicants' response of November 12, 2004 is not present in the file" and that "therefore the Examiner can not act on the IDS." In the Submission under 37 C.F.R. § 1.114(c) submitted by Applicants on January 12, 2005, Applicants submitted a copy of the February 10, 2003 IDS along with their Request for Continued Examination. No acknowledgement of the consideration of this IDS is included in the present Office Action. Applicants again request acknowledgement that the Examiner has considered all of the references cited in the February 10, 2003 IDS by returning a copy of the IDS with the Examiner's initials in the left hand column by each reference. Another copy of the February 10, 2003 IDS is enclosed for the Examiner's convenience.

#### **II. Acceptance of Revised Fig. 2.**

Applicants submitted a revised Fig. 2 along with the Amendment after Final Rejection filed on November 12, 2004 to reflect that the authorization unit is element 134, and thank the Examiner for acceptance of the revised Fig. 2 in the present Office Action.

Appln. No. 09/630,595  
Amendment and Response to Office Action dated April 20, 2005  
July 18, 2005

### III. Claim Rejections under 35 U.S.C. § 101.

The Examiner has rejected claims 26-33 and 35-40 under 35 U.S.C. § 101 because the disclosed invention is allegedly inoperative and allegedly therefore lacks utility. See Office Action at ¶ 6. Specifically, the Examiner asserts that the recitations in claim 26 of "receiving at least some financial account information linked to the transponder identification information" and "wherein the transponder identification information does not comprise financial account information" are "mutually exclusive" statements and an "impossible limitation." See Office Action at ¶ 7. The Examiner asserts that "if the 'transponder identification information does not comprise financial account information,' it is impossible for the 'some financial account information [to be] linked to the transponder identification information. If it was linked, it would in fact contain financial account information.'" See Office Action at ¶ 7. Applicants respectfully disagree with the Examiner.

As an initial matter, Applicants note the rejection with respect to claim 27 should be withdrawn as moot since claim 27 was canceled on June 4, 2003. As an additional matter, Applicants respectfully submit that the Examiner has not made a *prima facie* case that the invention of claim 26 is "inoperative" and "therefore lacks utility." The Federal Circuit has stated that "[t]o violate [35 U.S.C. ] 101, the claimed device must be totally incapable of achieving a useful result," citing *Brooktree Corp. v. Advanced Micro Devices, Inc.*, 977 F.2d 1555, 1571, 24 USPQ2d 1401, 1412 (Fed. Cir. 1992) (emphasis in original); *E.I. duPont De Nemours and Co. v. Berkley and Co.*, 620 F.2d 1247, 1260 n. 17, 205 USPQ 1, 10 n. 17 (8<sup>th</sup> Cir. 1980). See MPEP § 2107.01(II) ("the defense of non-utility cannot be sustained without proof of total incapacity"). The MPEP further notes that "[s]ituations where an invention is found to be 'inoperative' and therefore lacking in utility are rare, and rejections maintained solely on this ground by a Federal court even rarer." See MPEP § 2107.01(II). The MPEP cautions that "in view of the rare nature of such cases, Office personnel should not label an asserted utility 'incredible,' 'speculative' or otherwise unless it is clear that a rejection based on 'lack of utility' is proper." See MPEP § 2107.01(II).

Applicants respectfully submit that the Examiner has failed to make a *prima facie* rejection under 35 U.S.C. § 101 by (A) showing that the claimed invention lacks utility and (B) providing a

Appln. No. 09/630,595  
Amendment and Response to Office Action dated April 20, 2005  
July 18, 2005

sufficient evidentiary basis for factual assumptions relied upon in establishing the *prima facie* showing. See MPEP § 2107.02. The Examiner gave no evidentiary basis at all for his factual assumptions relied upon in establishing the required *prima facie* showing, and Applicants respectfully request that the Examiner provide the evidentiary basis for his factual assumptions that “if the ‘transponder identification information does not comprise financial account information,’ it is impossible for the ‘some financial account information [to be] linked to the transponder identification information. If it was linked, it would in fact *contain* financial account information.’”

Applicants respectfully submit that the disclosed invention is operative, as claimed. Applicants note that claim 26 requires that the transponder identification information be “linked to” the “financial account information.” “Link” is defined as “an identifier attached to an element (as an index term) in a system in order to indicate or permit connection with other similarly identified elements.” See MERRIAM WEBSTER’S COLLEGIATE DICTIONARY, p. 678 (tenth ed. 1993). “Contain” is defined as “to have within; include.” See MERRIAM WEBSTER’S COLLEGIATE DICTIONARY, p. 249 (tenth ed. 1993). Applicants respectfully submit that the transponder identification information *can be “linked”* (gave a connection with other elements in a system) to the financial account information without the transponder identification information *containing* (having within it or including) financial account information. Applicants further submit that in light of the knowledge in the art (specifically for example, relational databases), the fact that the RFID transponder information can be “linked” to financial account information without *containing* the financial account information is not “incredible” or “factually misleading.” See MPEP § 2107.01(II).

Relational databases are designed to perform the function of linking information (*i.e.* permitting connection with) with other information in a system (a database).<sup>1</sup> Relational

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<sup>1</sup> Applicants submit that this discussion is purely hypothetical and in no should the hypothetical structures and methods discussed in any way limit the claims, or be used in any way to construe the claims. Rather, this hypothetical discussion is merely intended to demonstrate to the Examiner how, in light of the knowledge of the art, transponder identification information and financial account information can be linked, even if the transponder identification information does not *contain* any financial account information.

Appln. No. 09/630,595  
Amendment and Response to Office Action dated April 20, 2005  
July 18, 2005

databases are discussed, for example, on p. 22 of the copy of the Borland Paradox® for Windows reference that was provided to Applicants by the Examiner along with the present Office Action. The Borland Paradox® for Windows reference discusses that in a relational database, data is organized into tables that contain categories of data, repeated for each item in the table. According to the Borland Paradox® for Windows reference, specific information can be extracted from each table in a relational database and assembled in a meaningful way. The example given is two tables, one containing an address book and one containing birthday book. The address book might put names in one column, addresses in another column, phone numbers in another column and so on. Each person in the address book is an item in the table, and the same categories of data are entered for each. The table containing the birthday book has information on birthdays, clothing sizes and favorite colors by name. In a relational database, you could see a list that includes each person's name, address and birthday. This does not mean that the person's name information *contains* the person's birthday information -- rather, these data are *linked* by the database software.

A Paradox® relational database could, for example, link "RFID transponder identification number" to financial account information in any number of ways. One way could be to include a first table containing RFID transponder identification information linked to customer identification information for the holder of the RFID transponder. A second table may link customer identification information to financial account information for each customer. These tables may be linked such that financial account information may be retrieved based upon specific RFID transponder identification information using the customer's identification information. That does not mean that the financial account information is *contained* in the RFID transponder identification information, any more than the person's birthday information was included in the person's name information in the Borland Paradox® example.<sup>2</sup>

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<sup>2</sup> See also Final Rejection dated September 13, 2004 at ¶ 14, where the Examiner states in the definition of "table" that a "relational database" is a "database or database management system that stores information in tables - rows and columns of data - and conducts searches by using data in specified columns of one table to find additional data in another table . . . [i]n conducting searches, a relational database matches information from a field in one table with information in a corresponding field of another table to produce a third table that combines requested data from

Appln. No. 09/630,595  
Amendment and Response to Office Action dated April 20, 2005  
July 18, 2005

The Examiner has failed to make a *prima facie* case of inoperability and thus non-utility of the claimed invention of claim 26. Further, Applicants have demonstrated how the claimed invention of claim 26 is operable to those of knowledge in the art. Finally, in an attempt to expedite this prolonged prosecution, and not for reasons relating to patentability, Applicants have amended claim 26 to further claim that the RFID transponder identification information does not comprise account *number* information. Applicants continue to maintain that RFID transponder identification information can be *linked* to financial account information, without *containing* the financial account information and that this amendment is not needed for reasons relating to patentability, *i.e.* this amendment is not necessary to overcome prior art or to meet any rejections under 35 U.S.C. §§ 101, 102, 103 or any other sections of the Patent Act of 1952, as amended. Accordingly, Applicants respectfully request that this rejection be withdrawn against claims 26, 28-33 and 35-40.

**IV. Claim Rejections under 35 U.S.C. § 112, First Paragraph.**

The Examiner next rejects claims 26-33 and 35-40 under 35 U.S.C. § 112, first paragraph as allegedly failing to comply with the enablement requirement for the same reasons as set forth for the rejection under 35 U.S.C. § 101. *See* Office Action at ¶ 9. As explained in Sec. III, Applicants respectfully submit that the invention of claim 26, as originally written and as amended, is *not* inoperable and does *not* have an impossible claim limitation. Therefore, Applicants respectfully submit that this rejection should be withdrawn against claims 26, 28-33 and 35-40. Applicants further note that this rejection should be withdrawn against claim 27 as moot in light of the cancellation of claim 27 on June 4, 2003.

**V. Claim Rejections under 35 U.S.C. § 112, Second Paragraph.**

The Examiner next rejects claims 26-33 and 35-40 under 35 U.S.C. § 112, second paragraph as allegedly indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as his invention. *See* Office Action at ¶ 12.

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both tables." This description of a relational database further provides an example of how RFID transponder identification information in one table in a relational database can be *linked* to financial account information in another table of the same relational database, without the RFID transponder identification information *containing* the financial account information.

Appin. No. 09/630,595  
Amendment and Response to Office Action dated April 20, 2005  
July 18, 2005

**A. Rejection of Claim 26 for limitation "at least one of" in line 3.**

First, the Examiner asserts that "it is unclear what the term 'at least one of' (in line 3) means . . . [i]t is unclear if e.g. the issuing bank must own the transponder or simply be in connection with the transponder." See Office Action at ¶ 12(a). As an initial matter, Applicants respectfully submit that this now-rejected claim limitation has been present in claim 26 since *June 4, 2003* with no rejection on this ground, yet the Examiner waited until this Office Action - mailed on *April 20, 2005*, nearly *two (2) years*<sup>3</sup> after introduction of this limitation into claim 26, to reject the claim on this ground. The MPEP clearly disfavors such "piecemeal examination" and advises that the "examiner ordinarily should reject each claim on *all valid grounds* available . . . [m]ajor technical rejections on grounds such as lack of proper disclosure, lack of enablement, serious indefiniteness and res judicata should be applied where appropriate even though there may be a seemingly sufficient rejection on the basis of prior art." See MPEP § 707.07(g) (emphasis added). In fairness, Applicants deserve to address all valid rejections at the earliest opportunity.<sup>4</sup>

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<sup>3</sup> Since June 4, 2003, when this limitation was first added to claim 26, the Examiner issued a Final Rejection on January 21, 2004; an Advisory Action on April 15, 2004; and a second Final Rejection dated September 13, 2004 that reopened prosecution after filing of Applicants' Appeal Brief on June 17, 2004. Yet, in none of those actions on the merits did the Examiner raise this ground for rejection of claim 26 under 35 U.S.C. § 112, second paragraph. Applicants have previously objected to the piecemeal prosecution that has occurred in this and related file, Appin. Serial No. 10/143,581. See Appeal Brief dated June 17, 2004, Sec. VIII. Applicants respectfully submit that the Examiner has failed to "clearly articulate any rejection early in the prosecution process so that the applicant has the opportunity to provide evidence of patentability and otherwise reply completely at the earliest opportunity," as set forth in the MPEP § 706. Rather, this application has been pending since August 1, 2000 - nearly *five (5) years*- and yet Applicants continue to receive new grounds of rejections several years after claim limitations have been initially presented. Applicants respectfully submit that the excessive length of prosecution of this application could be reduced if rejections are presented early in the prosecution process so Applicants have the opportunity to provide evidence of patentability and otherwise reply completely to these grounds of rejection.

<sup>4</sup> Applicants note that the Examiner states that the goal is allowance in the shortest possible time. See Office Action at ¶ 42. Applicants respectfully submit that this goal can only be achieved if *all* rejections are presented as early as possible during prosecution.

Appln. No. 09/630,595  
Amendment and Response to Office Action dated April 20, 2005  
July 18, 2005

Second, Applicants submit that line 3 of claim 26 *does not* reference a transponder at all.<sup>5</sup> Applicants cannot determine how the Examiner has interpreted line 3 of claim 26 to require either that an issuing bank must own a transponder, or simply be in connection with a transponder. As the MPEP explains, amendments made to comply with 35 U.S.C. § 112, second paragraph can give rise to an estoppel, and therefore the examiner should "make the record clear by providing explicit reasoning for making or withdrawing any rejection related to 35 U.S.C. § 112, second paragraph." See MPEP § 2173.02. Applicants cannot formulate a meaningful response to this rejection, and therefore respectfully submit that this rejection be withdrawn, or otherwise request that the Examiner "clearly articulate" this rejection so that Applicants can provide evidence of patentability and otherwise reply completely at the earliest opportunity.

**B. Information in the "account table" of claim 26 is allegedly unclear.**

Claim 26 has been rejected under 35 U.S.C. § 112, second paragraph because, according to the Examiner, "it is unclear what information is in the 'account table.'" See Office Action at ¶ 12(b). Applicants submit that the Examiner made this same rejection in the Final Rejection dated January 21, 2004 at ¶ 4(c). In their Amendment after Final Rejection dated April 8, 2004 at Sec. IV(C) and also in the Appeal Brief dated June 17, 2004 at Sec. VIII(B)(3), Applicants traversed this rejection and argued that support for this limitation can be found in the specification as originally filed at p. 5, lines 7-9 (account table 112 may be or include account number, balance limit and other information for various types of accounts). The Examiner did not maintain this rejection in the second Final Rejection dated September 13, 2004, when prosecution was reopened. See Amendment after Final Rejection dated November 12, 2004 at Sec. V(B) (this Amendment after Final Rejection was entered as the Submission under 37 C.F.R. § 1.114(c) to accompany Applicants' Request for Continued Examination dated January 12, 2005) ("Claim 26 expressly claims that the financial account information comprises account number information, account type information, account balance information, and account limit information. Applicants note that the Examiner has not noted this as an outstanding rejection, and therefore assume that this rejection has been waived.")

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<sup>5</sup> Rather, line 3 of claim 26 references a transponder *server*.

Appln. No. 09/630,595  
Amendment and Response to Office Action dated April 20, 2005  
July 18, 2005

Further, the MPEP instructs that "[t]he primary purpose of this requirement of definiteness of claim language is to ensure that the scope of the claims is clear so that the public is informed of the boundaries of what constitutes infringement of the patent." See MPEP § 2173. "Definiteness of claim language must be analyzed, not in a vacuum, but in light of: (A) The content of the particular application disclosure; (B) the teachings of the prior art; and (C) the claim interpretation that would be given by one possessing the ordinary level of skill in the pertinent art at the time the invention was made." See MPEP § 2173.02. "In reviewing a claim for compliance with 35 U.S.C. § 112, second paragraph, the examiner must consider the claim as a whole to determine whether the claim apprises one of ordinary skill in the art of its scope and, therefore, serves the notice function required by 35 U.S.C. § 112, second paragraph by providing clear warning to others as to what constitutes infringement of the patent." See MPEP § 2173.02. "The test for definiteness under 35 U.S.C. § 112, second paragraph, is whether 'those skilled in the art would understand what is claimed when the claim is read in light of the specification.'" See MPEP § 2173.02, citing *Orthokinetics, Inc. v. Safety Travel Chairs, Inc.*, 806 F.2d 1565, 1576, 1 USPQ2d 1081, 1088 (Fed. Cir. 1986). If the examiner "concludes that a rejection under 35 U.S.C. § 112, second paragraph is appropriate . . . an analysis as to why the phrase(s) used in the claim is 'vague' and 'indefinite' should be included in the Office Action." See MPEP § 2173.02. As the MPEP explains, amendments made to comply with 35 U.S.C. § 112, second paragraph can give rise to an estoppel, and therefore the examiner should "make the record clear by providing explicit reasoning for making or withdrawing any rejection related to 35 U.S.C. § 112, second paragraph." See MPEP § 2173.02.

Applicants respectfully submit that the Examiner has failed to provide any explanation of why or how this claim limitation fails to apprise one of ordinary skill in the art of its scope and, therefore, how claim 26 fails to serve the notice function required by 35 U.S.C. § 112, second paragraph by providing clear warning to others as to what constitutes infringement of the patent. Further, Applicants have pointed to specific support in the specification as filed for the contents of the account table. Finally, Applicants have amended claim 26 to expressly claim that the financial account information is retrieved from an account table. Applicants respectfully submit that this rejection should be withdrawn.



Appl. No. 09/630,595  
Amendment and Response to Office Action dated April 20, 2005  
July 18, 2005

**C. Claim 26 allegedly contains inoperable subject matter.**

The Examiner rejected claim 26 under 35 U.S.C. § 112, second paragraph for allegedly containing inoperable subject matter. Applicants respectfully submit that claim 26 does not contain inoperable subject matter, and references the arguments made in Sec. III in support of this assertion. Applicants therefore respectfully submit that this rejection should be withdrawn.

**D. Claim 27 status is allegedly unclear.**

The Examiner rejected claim 27 under 35 U.S.C. § 112, second paragraph on the ground that the status of this claim is unclear. *See* Office Action at ¶ 12(d). Applicants have already addressed the fact that claim 27 was canceled on June 4, 2003 and therefore respectfully submits that this rejection should be withdrawn. *See also* Amendments to Claims.

**E. The list of items in claim 35 is allegedly unclear.**

The Examiner rejected claim 35 under 35 U.S.C. § 112, second paragraph because it is allegedly unclear if Applicants intended the list of items to be conjunctive or disjunctive. *See* Office Action at ¶ 12(e). Again, the rejected claim limitation of claim 26 that is now rejected has been present in claim 35 since June 4, 2003, yet it is only now rejected on the stated grounds. As discussed in Sec. V(A), Applicants note that raising new grounds years after claim limitations are present denies Applicants an opportunity to provide evidence of patentability and otherwise reply completely at the earliest opportunity," as set forth in the MPEP § 706. Applicants further submit that there is no indefiniteness of claim 35 on this ground.

Applicants respectfully submit that claim 35 is disjunctive in that the list of items in the claim are connected by the word "or." The MPEP notes that "[a]lternative expressions using 'or' are acceptable, such as 'wherein R is A, B, C, or D' . . . [t]he following phrases were held to be acceptable and not in violation of 35 U.S.C. § 112, second paragraph in *In re Gaubert*, 524 F.2d 1222, 187 USPQ 664 (CCPA 1975): 'made entirely or in part of'; 'at least one piece'; and 'iron, steel or any other magnetic material.'" *See* MPEP § 2173.05(h)(II). Applicants respectfully submit that use of the disjunctive "or" in claim language satisfies 35 U.S.C. § 112, second paragraph, and that this rejection should be withdrawn.

**VI. Claim Rejections under 35 U.S.C. § 102.**

The Examiner has rejected claims 26-40 as allegedly anticipated under 35 U.S.C. § 102(b)

Appln. No. 09/630,595  
Amendment and Response to Office Action dated April 20, 2005  
July 18, 2005

by one or more of USPN 5,276,311 to Hennige ("Hennige"), USPN 5,828,044 to Jun ("Jun"); USPN 6,424,884 B1 to Brooke ("Brooke"); and USPN 5,072,380 to Randelman ("Randelman"). See Office Action at ¶¶ 14, 16-18. Applicants note that claims 27 and 34 have been canceled. Accordingly, Applicants respectfully submit that the rejections of claims 27 and 34 are moot and should be withdrawn. Further, Applicants respectfully submit that none of Hennige, Jun, Brook or Randelman discloses each and every limitation of claims 26, 28-33 and 35-40.

**A. Rejection over Hennige.**

Claims 26, 28-30, 33 and 35-40 were rejected as allegedly unpatentable under 35 U.S.C. § 102(b) based on Hennige. See Office Action at ¶ 14. This rejection should be withdrawn because Hennige does not disclose each and every limitation of claim 26.

Hennige, according to the Examiner, discloses an ordinary credit card transaction including "receiving by a transponder server of a credit network at least some transponder identification information (credit account number) emitted from a transponder (contacts 100 in the credit card) substantially upon presentation of both the transponder and a transaction for payment at a POS device, the payment comprises a payment amount (inherent in all payments)." See Office Action at ¶ 14. According to the Examiner, Hennige further discloses "receiving (at the credit authorization agency) at least some financial account information (the account number transmitted from the merchant) linked to the transponder identification information in an account table (the table includes account holder's name, billing address, available balance and credit, etc.); determining authorization based on the payment amount . . . ; communicating authorization to the POS device . . . ; paying the authorized payment amount to a merchant account associated with a merchant . . . ; issuing the transponder (credit card) to the holder of the account (the consumer); receiving the transponder identification information from multiple POS devices . . . ; the account type is a credit card; the transponder is embedded in a transaction card (contacts 100 are embedded in the overall card); and registering the financial account information (activating the credit card) via a network registration interface (a telephone)." See Office Action at ¶ 14.

Applicants respectfully submit that Hennige does not disclose each and every limitation of claims 26, 28-30, 33 and 35-40, as originally written or as amended. Applicants have amended

Appln. No. 09/630,595  
Amendment and Response to Office Action dated April 20, 2005  
July 18, 2005

claim 26 to recite that the transponder is an RFID transponder. Hennige does not disclose a RFID transponder. Rather, Hennige discloses a single electronic multi-function card which contains data sets of all cards held by a given person, and which can be converted into a specific card at the moment the specific card is needed. *See* col. 2, lines 14-21. The user can transfer the data of other cards to the single electronic multi-function card so that only the single electronic multi-function card has to be carried. *See* col. 2, lines 33-38. The single electronic multi-function card thus "assumes the form of a single purpose card and may then be used for the purpose intended by the holder of the card." *See* col. 2, lines 6-10. The data stored on the single electronic multi-function card are the data sets of several separate cards issued by credit institutions and include card number data and the user's signature *See* col. 4, lines 60-63; col. 6, lines 37-41. Hennige thus discloses only a single electronic multi-function card that stores credit account information that would typically be embedded in a magnetic stripe on an ordinary credit card and that this information can be read from the single electronic multi-function card by a checking terminal of a salesperson. *See* col. 7, lines 14-18 and 45-55.

"A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described in a single prior art reference." *See* MPEP § 2131, *citing Verdegaal Bros. v. Union Oil Co. of Calif.*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). Further, "[t]he identical invention must shown in as complete detail as is contained in the . . . claim." *See* MPEP § 2131, *citing Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1236, 9 USPQ2d 1913, 1920 (Fed. Cir. 1989). Hennige *does not* disclose receiving by a RFID transponder server at least some RFID transponder identification information emitted by a RFID transponder substantially upon presentation of both the RFID transponder and a transaction for payment at a point of sale device, where the RFID transponder identification information does not comprise account number information as claimed in claim 26. Rather, in Hennige, the checking terminal is disclosed only to receive account number information from the single electronic multi-function card. Since Hennige does not disclose each and every element of claim 26, Hennige does not anticipate claim 26, or claims 28-30, 33 and 35-40 that depend from claim 26.

Further, the MPEP expressly states that "[i]n order to provide a complete application file history and to enhance the clarity of the prosecution history record, an examiner must provide

Appln. No. 09/630,595  
Amendment and Response to Office Action dated April 20, 2005  
July 18, 2005

clear explanations of all actions taken by the examiner during prosecution of an application . . . [w]hen the applicant traverses any rejection, *the examiner should, if he or she repeats the rejection, take note of the applicant's argument and answer the substance of it.*" See MPEP § 707.07(f) (emphasis added). Applicants presented arguments in the January 12, 2005 Submission traversing this same rejection of claim 40 but the Examiner has not taken note of the Applicants' argument or answered the substance of it, as required by MPEP § 707.07(f). In the January 12, 2005 Submission, Applicants argued that the Examiner provided no reasoning of how "activation" of a credit card is consistent with the specification regarding registration of financial account information. Applicants submitted that the specification description of registration of financial account information is *inconsistent* with credit card activation. See Specification at p. 8, line 19 to p. 9, line 10. For example, the specification states that the user is interrogated to "identify or select which one or more accounts . . . [s/he] wishes to associate with the transponder." See *id.* at p. 9, lines 1-3. The Examiner provided no reasoning why or how, and that a person of ordinary skill in the art would understand that, activation of an ordinary credit card permits a user to "identify or select" which accounts to associate with the credit card. Rather, account number information is already embedded in the magnetic stripe on the credit card prior to activation.

"A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described in a single prior art reference." See MPEP § 2131, *citing Verdegaal Bros. v. Union Oil Co. of Calif.*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). Further, "[t]he identical invention must shown in as complete detail as is contained in the . . . claim." See MPEP § 2131, *citing Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1236, 9 USPQ2d 1913, 1920 (Fed. Cir. 1989). Applicants respectfully submit that, Hennige does not disclose each and every element of claim 40 in as complete detailed as claimed therein. If the Examiner maintains this rejection, Applicants respectfully request that they be provided a clear explanation of the grounds for rejection by the Examiner to allow them to provide evidence of patentability and otherwise reply completely at the earliest opportunity. See MPEP § 707.07(f).

The Examiner also stated that "this rejection relies on the definition of transponder as request [sic] by Applicants." See Office Action at ¶ 15. Claim 26 has been amended to claim that the transponder is an RFID transponder, and therefore Applicants respectfully submit that the

Appln. No. 09/630,595  
Amendment and Response to Office Action dated April 20, 2005  
July 18, 2005

Examiner's argument of the definition of a transponder is moot in light of this amendment. See Office Action at ¶¶ 15; 27-29; *see also* Sec. VIII(C) *infra*.

Applicants respectfully submit that Hennige does not disclose each and every limitation of claim 26, and therefore does not disclose each and every limitation of claims 28-30, 33 and 35-40 either, and respectfully request that this rejection be withdrawn.

**B. Rejection over Jun.**

The Examiner rejected 26, 28-30, 33 and 35-40 as allegedly anticipated by Jun. See Office Action at ¶ 16. The full extent of the rejection of these claims is that Jun "discloses the claimed invention including an RF transponder." See *id.*; *see also* Office Action at ¶ 36.<sup>6</sup> Just as for Hennige, Applicants respectfully submit that Jun does not disclose each and every limitation of claims 26, 28-30, 33 and 35-40 and therefore does not anticipate these claims.

Jun discloses a non-contacting credit card system. See Jun, col. 1, lines 5-11. The RF card of Jun is powered by a card terminal via a radiated radio frequency. See Jun, col. 2, lines 33-35. The card terminal reads the card number that is transmitted from the RF card. See Jun, col. 2, lines 34-36. The card number is then transmitted from the card terminal to a terminal computer, where the terminal computer makes an inquiry to a black list and makes a decision for issuing an approval or disapproval of a transaction. See Jun, col. 2, lines 37-46.

Jun does not disclose receiving by an RFID transponder server of an issuing bank, a financial institution or a credit network transponder identification information emitted from an RFID transponder; retrieving financial account information linked to the RFID transponder identification information in an account table; determining by an authorization unit authorization for charging at least some of the payment amount to a financial account represented by the financial account information; and communicating authorization where the RFID transponder identification information does *not* comprise account number information, as claimed in claim 26. In contrast, Jun discloses transmitting the financial account number (card number) directly from the RF card to a card terminal. For this reason alone, Jun does not anticipate the claimed invention because Jun does not disclose each and every limitation of claim 26.

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<sup>6</sup> See also Final Rejection dated September 13, 2004 at ¶ 8.

Appln. No. 09/630,595  
Amendment and Response to Office Action dated April 20, 2005  
July 18, 2005

Although the Examiner has repeated the rejection over Jun that was made in the second Final Rejection dated September 13, 2004, there is no response to Applicants' argument made in the Submission of January 12, 2005 that this rejection fails to make a *prima facie* case that Jun discloses each and every element of claims 26, 28-33 or 35-40. See Amendment after Final Rejection dated November 12, 2004 at pp. 9-10. Further, there is no response to Applicants' arguments that Jun does not disclose the elements of claims 37 and 38 of embedding the transponder in a personal article such as a key chain, pager, watch, clothing, key or transaction card. Additionally, there is no response to Applicants' argument that Jun does not disclose registration of financial account information via a network interface as claimed in claim 40. If the Examiner maintains rejection over Jun, Applicants respectfully request that they be provided a clear explanation by the Examiner of the grounds for rejection that "Jun discloses the claimed invention including an RF transponder" to allow them to provide evidence of patentability and otherwise reply completely at the earliest opportunity. See MPEP § 707.07(f).

Applicants submit that Jun does not disclose each and every limitation of claim 26, and therefore also does not disclose each and every limitation of dependent claims 28-30, 33 and 35-40, and respectfully request that this rejection for anticipation be withdrawn.

### C. Rejection over Brooke.

The Examiner has rejected claims 26, 35, 37 and 38 under 35 U.S.C. § 102(e) as allegedly anticipated by Brooke. No grounds whatsoever are provided for this rejection. Applicants respectfully submit that this does not constitute a *prima facie* case of anticipation. See MPEP § 707.07(f) (examiner *must* provide clear explanations of all actions taken during prosecution of an application) (emphasis added).

Brooke discloses a vending machine including a transponder interrogator, where a customer that desires to make a purchase from the vending machine presents a transponder to the transponder interrogator which identifies the transponder and a credit amount associated with that transponder is debited the purchase price. See Abstract. The credit amount may be stored on the transponder, or may be stored in an external database. See col. 5, lines 36-40; col. 6, lines 10-16. Brooke does not disclose at least the limitations of claim 26 of receiving by a RFID transponder server of an issuing bank, a financial institution or a credit network at least some RFID

Appln. No. 09/630,595  
Amendment and Response to Office Action dated April 20, 2005  
July 18, 2005

transponder identification information emitted from an RFID transponder, or retrieving from an account table financial account information linked to the RFID transponder identification information, the financial account information comprising account number information, account type information, account balance information and account limit information. Brooke also does not disclose each and every limitation of claims 35, 37 and 38 for these same reasons.

Since Brooke does not disclose each and every element of claims 26, 35, 37 and 38, Applicants respectfully submit that Brooke does not anticipate these claims and request that this rejection be withdrawn. If this rejection is maintained, Applicants request that the Examiner provide a clear explanation of the rejection so that Applicants may respond. See MPEP § 707.07(f).

**D. Rejection over Randelman.**

The Examiner has rejected claims 26-33 and 35-40 under 35 U.S.C. § 102(b) as allegedly anticipated by Randelman. No grounds whatsoever are provided for this rejection. Applicants respectfully submit that this does not constitute a *prima facie* case of anticipation. See MPEP § 707.07(f) (examiner *must* provide clear explanations of all actions taken during prosecution of an application) (emphasis added).

Randelman discloses a system and method for identifying a vehicle in a prescribed area of a service station and associating services with the vehicle, where the vehicle includes a transponder. See Abstract. The system has antennae that emit an electromagnetic field at a predetermined frequency which energize an emitter card affixed to the vehicle in the vicinity of the antennae. See col. 1, lines 28-31. The emitter sends out an encoded electromagnetic signal which can be used by a computer for customer accounting, billing, recognition, tracking, or promotion. See col. 1, lines 45-47 and col. 3, lines 3-12. The method allows for automatic recognition and servicing of a vehicle and invoicing the vehicle owner. See col. 1, lines 48-51. Randelman does not disclose at least the limitations of claim 26 of receiving by a RFID transponder server of an issuing bank, a financial institution or a credit network at least some RFID transponder identification information emitted from an RFID transponder, or retrieving from an account table financial account information linked to the RFID transponder identification

Appln. No. 09/630,595  
Amendment and Response to Office Action dated April 20, 2005  
July 18, 2005

information, the financial account information comprising account number information, account type information, account balance information and account limit information.

Since Randelman does not disclose each and every element of claims 26, 27-33 and 34-40, Applicants respectfully submit that Randelman does not anticipate these claims and request that this rejection be withdrawn. If this rejection is maintained, Applicants request that the Examiner provide a clear explanation of the rejection so that Applicants may respond. See MPEP § 707.07(f).

**E. Rejection over Wynn.**

The Examiner previously rejected claims 26, 28-30, 33 and 35-40 as allegedly anticipated by Wynn. See Final Rejection dated September 13, 2004 at ¶ 9. This rejection has not been repeated in this Office Action, and therefore Applicants assume that this ground for rejection has been withdrawn or otherwise waived. See MPEP § 707.07(e) ("[e]very point in the prior action of an examiner which is still applicable must be repeated or referred to, to prevent the implied waiver of the *requirement*") (emphasis in original).

**VII. Claim Rejections Under 35 U.S.C. § 103(a).**

The Examiner has also rejected claims 26, 28-33 and 35-40 as allegedly unpatentable over Jun and Brooke. See Office Action at ¶¶ 20, 21.

**A. Rejection over Jun.**

The Examiner asserts that "it would have been obvious to a person having ordinary skill in the art at the time the invention was made to modify Jun to include the transponder is of a credit network, and that such a modification would have isolated the transponder by making it only available for purchases allowing for a faster transaction." See *id.* The Examiner has not shown any suggestion or motivation, either in the reference or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or that such a modification would allow for faster transactions. See MPEP § 2142. Applicants respectfully submit that Jun does not disclose each and every limitation of claim 26, and that Jun does not form a *prima facie* case of obviousness. See MPEP § 2142. The Examiner also has not shown a reasonable expectation of



Appln. No. 09/630,595  
Amendment and Response to Office Action dated April 20, 2005  
July 18, 2005

success. *See* MPEP § 2142. Neither has the Examiner provided factual support for this conclusion. *See* MPEP § 2142.

As previously noted, Jun does not disclose receiving by an RFID transponder server of an issuing bank, a financial institution or a credit network RFID transponder identification information emitted from an RFID transponder; retrieving from an account table financial account information linked to the RFID transponder identification information; determining by an authorization unit authorization for charging at least some of the payment amount to a financial account represented by the financial account information; and communicating authorization, where the RFID transponder identification information does *not* comprise account number information, as claimed in claim 26. Rather, Jun discloses a non-contacting credit card system. *See* Jun, col. 1, lines 5-11. The RF card of Jun is powered by a card terminal via a radiated radio frequency. *See* Jun, col. 2, lines 33-35. The card terminal reads the card number that is transmitted from the RF card. *See* Jun, col. 2, lines 34-36. The card number is then transmitted from the card terminal to a terminal computer, where the terminal computer makes an inquiry to a black list and makes a decision for issuing an approval or disapproval of a transaction. *See* col. 4, lines 53-61. There is no suggestion or motivation in Jun to include that the transponder is of a credit network to allow for faster transactions. In fact, in contradiction of this unsupported assertion, Jun teaches *away* from including the transponder in a credit network because, according to Jun, such a modification would make transactions *slower*, not *faster*.

Jun teaches in the Description of the Prior Art that conventional card inquiries where a credit card number is read by a card reader and transmitted through an electric line to a credit card managing company where checks on payment limit and existence or absence of dishonored transactions takes place, and approval number or disapproval is transmitted to the card inquiry terminal takes "too much time," which "time consumption . . . has been a serious impediment in broadening the area of the credit card utilization." *See* col. 1, lines 39-55. One of the objectives of the invention of Jun is to "drastically" reduce card reading time. *See* col. 2, lines 12-15. Jun accomplishes this objective by storing a black list on a terminal computer for an inquiry to the

Appln. No. 09/630,595  
Amendment and Response to Office Action dated April 20, 2005  
July 18, 2005

black list to be made very quickly, in less than 3 ms. *See* col. 4, lines 14-20 and 53-64.<sup>7</sup> The black list can also be stored on a card terminal, shortening the time even further for the card inquiry. *See* col. 5, lines 10-12. Thus, Jun *teaches away* from including the transponder as part of a conventional credit network because that would *defeat* the purpose of reducing inquiry time for approval or disapproval of a transaction. *See* col. 3, lines 20-27. Further, such a modification would render Jun unsatisfactory for its intended purpose, and therefore Jun provides no suggestion or motivation to make the asserted modification. *See* MPEP § 2143.02.<sup>8</sup>

Additionally, in the Final Rejection dated September 13, 2004, the Examiner asserted that it would have been obvious to one of ordinary skill in the art to modify Jun to include having the transponder server be of an issuing bank. Applicants argued in the January 12, 2004 Submission that Jun does not disclose each and every limitation of claims 26, 28-30, 33 and 35-40 and therefore cannot form a *prima facie* case of obviousness in support of that rejection. This rejection has not been repeated in this Office Action, and therefore Applicants assume that this ground for rejection has been withdrawn or otherwise waived. *See* MPEP § 707.07(e) (“[e]very point in the prior action of an examiner which is still applicable must be repeated or referred to, to prevent the implied waiver of the *requirement*”) (emphasis in original).

Since Jun does not disclose each and every limitation of the claimed invention, and there is

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<sup>7</sup> *See* Exh. D *infra* for disclosure that in the U.S., credit card authorizations typically take between 6 seconds and 90 seconds.

<sup>8</sup> For these same reasons, the Examiner’s assertion that “it is *inherent* that the transponder is of a credit network” is not supported by Jun. *See* Office Action at ¶ 20 (emphasis added). As discussed *infra*, Jun specifically discloses that the purpose of the invention is to *increase* the speed of transactions. *See* col. 1, lines 39-55. Inherency requires that “the extrinsic evidence . . . ‘make clear that the missing descriptive matter is necessarily present in the thing described in the reference . . .’” *See* MPEP § 2112, citing *In re Robertson*, 169 F.3d 743, 745, 49 USPQ2d 1949, 1950-51 (Fed. Cir. 1999). Further, “[i]n relying upon the theory of inherency, the examiner must provide a basis in fact and/or technical reasoning to reasonably support the determination that the allegedly inherent characteristic necessarily flows from the teachings of the applied prior art.” *See* MPEP § 2112, citing *Ex parte Levy*, 17 USPQ2d 1461, 1464 (BPAI 1990) (emphasis in original). Here the Examiner has made an allegation of inherency that is unsupported factually or by technical reasoning, and in fact that is *contradicted* by the reference itself. For at least these reasons, Applicants submit that it is *not* inherent that the transponder of Jun is of a credit network.

Appln. No. 09/630,595  
Amendment and Response to Office Action dated April 20, 2005  
July 18, 2005

no motivation or suggestion in Jun to include the transponder as part of a credit network to allow for faster transactions and in fact the reference teaches *away* from such a modification, Applicants respectfully request that the rejection of claims 26, 28-33 and 35-40 be withdrawn.

**B. Rejection over Brooke.**

The Examiner asserts that "it would have been obvious to a person having ordinary skill in the art at the time the invention was made to modify Brooke to include the transponder is of a credit network, and that such a modification would have isolated the transponder by making it only available for purchases allowing for a faster transaction." See Office Action at ¶ 21. The Examiner has not shown any suggestion or motivation, either in the reference or in the knowledge generally available to one of ordinary skill in the art, to modify the reference. See MPEP § 2142. Applicants respectfully submit that Brooke does not disclose each and every limitation of claim 26, and therefore that Brooke does not form a *prima facie* case of obviousness. See MPEP § 2142. The Examiner also has not shown a reasonable expectation of success. See MPEP § 2142. Neither has the Examiner provided factual support for this conclusion. See MPEP § 2142.

As previously noted, Brooke does not disclose at least the limitations of claim 26 of receiving by a RFID transponder server of an issuing bank, a financial institution or a credit network at least some RFID transponder identification information emitted from an RFID transponder, or retrieving from an account table financial account information linked to the RFID transponder identification information, the financial account information comprising account number information, account type information, account balance information and account limit information. Brooke also does not disclose each and every limitation of claims 28-33 and 35-40 for these same reasons. There is no suggestion or motivation to include that the transponder is of a credit network, and in fact the knowledge generally available to one of ordinary skill in the art teaches away from including the transponder of Brooke in a credit network.

Brooke discloses that the invention is a vending machine including a transponder interrogator, where a credit amount associated with the transponder is debited the purchase price. See Abstract. The vending machine may have conventional payment components for vending machines, such as coin and bill accepting units and/or smart card readers in addition to the transponder interrogation unit. See col. 3, lines 53-61. The transponder may have a memory unit

Appln. No. 09/630,595  
Amendment and Response to Office Action dated April 20, 2005  
July 18, 2005

that stores the credit amount. *See* col. 5, lines 38-40. In another embodiment, an external database could store the credit amount. *See* col. 6, lines 13-16.

It is well known that vending machine purchases are small dollar amount purchases. *See*, e.g., col. 3, lines 61-67 (vending machines used to dispense beverages, candies, cigarettes, fare cards, stamps, sandwiches, gaming credits, video/pinball play credits, etc.). The knowledge generally available to those of ordinary skill in the art even as of 2004 is that payments using a credit network are *unsuitable* for small purchase amounts, or micropayments. *See* Exh. A (*Micropayments* by James Horn for Stanford University CS, March 18, 2002) (micropayments are arbitrarily small payments, and credit cards lose appeal for purchases that fall between \$1 and \$10 due to fixed transaction costs for credit card payments); Exh. B (*Credit Cards Enter the Micropayment Game*, by Mark Jewell, June 29, 2004) (biggest obstacle to using credit cards for micropayments is the cost of transaction processing, usually between 20 cents to a quarter, plus 2% to 3% of the price being sold - "For very inexpensive items, the transaction expense can wipe out any profit."); Exh. C (*Digital Content Spurs Micropayments Resurgence*, by Matt Hines, September 7, 2004) ("Web shoppers have historically preferred to pay with credit cards . . . because credit card companies typically charges [sic] fees for processing and customer service on every transaction, credit cards can be an extremely inefficient way of making a small purchase, with the fees often eating most of the profit margin."); Exh. D. (*The Siren Song of Internet Micropayments*, by Steve Crocker) (" . . . credit cards are unprofitable for the *seller* at purchases below \$5.00 . . . transaction costs implied in the credit card financial structure mean that they cannot be used directly for very small purchases . . . [a] related but no less important 'cost' is the time it takes to authorize a credit transaction . . . [i]n the U.S., credit card authorizations take between 6 seconds and 90 seconds . . . a customer who makes small purchases may make several in a single day and will not want to wait more than a second or two for each one.") (emphasis in original).

Thus, neither Brooke nor the knowledge generally available to those skilled in the art provides any suggestion or motivation to make the asserted, unsupported modification of including the transponder of Brooke in a credit network. Accordingly, Applicants respectfully submit that Brooke cannot support a *prima facie* case of obviousness of claim 26, or claims 28-33

Appln. No. 09/630,595  
Amendment and Response to Office Action dated April 20, 2005  
July 18, 2005

and 35-40 that depend from claim 26, and that this rejection should be withdrawn.

### **VIII. RESPONSE TO OTHER ARGUMENTS.**

#### **A. Lexicography.**

With respect to ¶ 22 of the Office Action, the Examiner has repeatedly requested that Applicants "confirm" that they wish to be their own lexicographer, and also has asserted that he has made "final" the presumption that claim terms are to be given their "ordinary and accustomed[sic]" meaning during prosecution. See Office Action of May 16, 2002 at ¶ 13; Office Action of October 29, 2002 at ¶ 12; Office Action of March 4, 2003 at ¶ 13; Final Rejection at ¶ 12. Applicants again submit that the claim terms are to be given their broadest reasonable interpretation consistent with the specification. See MPEP § 2111. To the extent that the Examiner has imposed an obligation on Applicants to confirm the manner of interpretation of the claim terms in the Application, Applicants respectfully submit that the claims are to be construed as required by the patent statute, as interpreted by or further set forth by the CCPA and the Federal Circuit. Applicants are aware of no obligation to confirm that they have decided to be or not to be their own lexicographer. Rather, Applicants understand that the proper standard is that "the pending claims must be 'given their broadest reasonable interpretation consistent with the specification.'" See *In re Hyatt*, 211 F.3d 1367, 1372, 54 USPQ2d 1664, 1667 (Fed. Cir. 2000); MPEP § 2111.

#### **B. Functional Recitations.**

The Examiner again raises an objection to functional recitations. See Office Action at ¶ 24. Applicants can identify no rejections based on the grounds of functional claim recitations, and the last time such grounds were referenced was in the Office Action dated March 4, 2003 at ¶ 14. In the March 4, 2003 Office Action, the Examiner asserted the following:

Appln. No. 09/630,595  
Amendment and Response to Office Action dated April 20, 2005  
July 18, 2005

Functional recitations using the word "for" . . . have been given less patentable weight because they fail to add any steps and are thereby regarded as intended use language. A recitation of the intended use of the claimed invention must result in additional steps. See *Bristol-Myers Squibb Co. v. Ben Venue Laboratories, Inc.*, 246 F.3d 1368, 1375-76, 58 USPQ2d 1508, 1513 (Fed. Cir. 2001) (Where the language in a method claim states only a purpose and intended result, the expression does not result in a manipulative difference in the steps of the claim.)

Applicants respectfully submit that the issue in the cited portion of *Bristol-Myers Squibb* is whether preamble language that states intended use and purpose of an invention limits the scope of the claim. See *Bristol-Myers Squibb* at 1372. Bristol-Myers Squibb, the patent holder, sued Ben Venue based on Ben Venue's ANDAs seeking approval to market paclitaxel prior to expiration of Bristol-Myers Squibb's patents USPN 5,641,803 and 5,670,537 directed to methods of administration of taxol (Taxol® is the registered trademark name for its anticancer drug that comprises paclitaxel as the active ingredient). See *id.* at 1371; n. 1. Ben Venue alleged that the patents were invalid over *inter alia* an article by Kris in which "Kris treated patients with three-hour infusions of paclitaxel within the claimed dosage ranges but observed no antitumor response." *Id.* at 1372. Ben Venue moved for summary judgment. *Id.* The district court construed the claims and determined that the preamble of claim 5<sup>9</sup> of the '537 patent "[a] method for treating a cancer patient to effect regression of a taxol-sensitive tumor, said method being associated with reduced hematologic toxicity" merely stated the intended use or purpose of the invention and did not limit the scope of the claim." *Id.* The district court also held that "the

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<sup>9</sup> Claim 1 of the '537 patent reads as follows: "A method for treating a cancer patient suffering from a taxol-sensitive tumor comprising: (i) premedicating said patient with a medicament that reduces or eliminates hypersensitivity reactions; and (ii) parenterally administering to said patient about 135-175 mg/m<sup>2</sup> taxol over about 3 hours." Claim 5 of the '537 patent reads as follows: "A method for treating a cancer patient to effect regression of a taxol-sensitive tumor, said method being associated with reduced hematologic toxicity, said method comprising: (i) premedicating said patient with a medicament that reduces or eliminates hypersensitivity reactions; and (ii) parenterally administering to said patient about 135-175 mg/m<sup>2</sup> taxol over about 3 hours." The only difference between claim 1 and claim 5 is the preamble.

Appln. No. 09/630,595  
Amendment and Response to Office Action dated April 20, 2005  
July 18, 2005

expression in the '803 claims,<sup>10</sup> 'an antineoplastically effective amount,' was inseparable from the specific concentrations described in the claims and only stated the purpose of the invention comprising the stated method steps." *Id.* at 1372-73. The district court also held that the expression "reducing hematologic toxicity" meant "a reduction in toxicity relative to that normally experienced in a twenty-four hour paclitaxel infusion." *Id.* at 1373. The district court then held on summary judgment that most of the claims in both patents were invalid as anticipated by the Kris article. *See id.* at 1373.

On appeal, Bristol-Myers Squibb argued that the district court erred by "not giving effect to the preamble 'for reducing hematologic toxicity'" and also the expression "an antineoplastically effective amount" in the '803 patent claims. *Id.* at 1374. Bristol-Myers Squibb argued that the limitation "an antineoplastically effective amount" distinguished the claims over Kris because Kris did not observe antitumor efficacy. *Id.* Bristol-Myers Squibb also argued that the preamble of claim 5 of the '537 patent must given effect under the doctrine of claim differentiation since that is the only difference between claims 1 and 5 of that patent. *See id.*

The Federal Circuit affirmed in part the district court and held that the preamble language of the claims of the '803 patent was non-limiting because "[t]he steps of the three-hour infusion method are performed in the same way regarding whether or not the patient experiences a reduction in hematologic toxicity, and the language of the claim itself strongly suggests the independence of the preamble from the body of the claim." *Id.* at 1375. The Federal Circuit similarly held that the expression "an antineoplastically effective amount" in the '803 claims is an expression of intended results that "essentially duplicates the dosage amounts recited in the claims that are also described in the specification as 'antineoplastically effective.'" *Id.* Next, the Federal Circuit held that the preamble expression of claim 5 of the '537 patent, "[a] method for treating a cancer patient to effect regression of a taxol-sensitive tumor, said method being associated with

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<sup>10</sup> Claim 1 of the '803 patent reads as follows: "A method for reducing hematologic toxicity in a cancer patient undergoing [t]axol treatment comprising parenterally administering to said patient an antineoplastically effective amount of about 135-175 mg/m<sup>2</sup> taxol over a period of about three hours." The limitation "an antineoplastically effective amount" was voluntarily added to the claims after the claims had been found allowable and was not required by the examiner. *See id.* at 1374.

Appln. No. 09/630,595  
Amendment and Response to Office Action dated April 20, 2005  
July 18, 2005

reduced hematologic toxicity" is only a statement of purpose and intended result because "[t]he expression does not result in a manipulative difference in the steps of the claims." *Id.* at 1375-76.

The Federal Circuit held that language which does not result in a manipulative difference in the steps of a method claim are only statements of purpose and intended result, and does not limit the scope of the claims. There is no holding in this case, or the MPEP, that "[f]unctional recitations using the word "for" . . . [should be] given less patentable weight because they fail to add any steps and are thereby regarded as intended use language," as stated in para. 14 of the March 4, 2003 Office Action. In fact, the MPEP states that "[a] functional limitation *must be evaluated and considered, just like any other limitation of the claim*, for what it fairly conveys to a person of ordinary skill in the pertinent art in the context in which it is used" and that "[a] functional limitation is often used in association with an element, ingredient, or step of a process to define a particular capability or purpose that is served by the recited element, ingredient, or step." See MPEP § 2173.05(g). Applicants therefore respectfully disagree with the Examiner's conclusion that functional recitations using the word "for" are to be given less patentable weight. Rather, Applicants submit that functional limitations must be evaluated and considered, just like any other limitation of the claim, for what they convey to a person of ordinary skill in the art in the context in which they are used.

Further, Applicants respectfully request that if the Examiner has given any limitations of the pending claims 26, 28-33 and 35-40 less patentable weight for this reason that he provide a clear explanation so that Applicants may provide a meaningful response. See MPEP § 707.07(f) (examiner must provide clear explanations of all actions taken during prosecution of an application).

### C. Definition of Transponder.

The Examiner states that he is free to use any reasonable definition of transponder and is not bound by Applicants' definition, and that the definition of a transponder as a device that responds to a physical stimulus and emits an electrical signal in response to the stimulus is adopted. See Office Action at ¶¶ 27-29. Applicants again respond that the standard for claim term interpretation during prosecution is that claim terms are to be given their broadest reasonable interpretation consistent with the specification. See MPEP § 2111; *In re Hyatt*, 211 F.3d 1367,



Appln. No. 09/630,595  
Amendment and Response to Office Action dated April 20, 2005  
July 18, 2005

1372, 54 USPQ2d 1664, 1667 (Fed. Cir. 2000). Applicants again submit that the definition asserted by the Examiner is not consistent with the specification. *See* Amendment after Final Rejection dated November 12, 2004 at Sec. III(D). Applicants expressly describe in the specification a transponder as an "electromagnetically-coupled transducer"; and an "electromagnetically coupled device[], generally activated by proximity to an RF-enabled receiving unit," and one of ordinary skill in the art would understand this to refer to an active transponder. *See* Specification at p. 1, lines 10-11; p. 3, lines 19-22. The Examiner's broad construction of the term "transponder" to cover ordinary magnetic stripe credit cards is inconsistent with the description of the term "transponder" in the specification.

Applicants also respectfully submit that their previous argument regarding passive transponders has been misconstrued in the present Office Action. Applicants previously argued that even if "transponder" were to be given the extremely broad interpretation given by the Examiner, a credit card as disclosed in the cited Hennige and Jun references still would not meet all of the limitations of the claims because credit cards do not *emit* any information. *See* Amendment after Final Rejection at Sec. III(A) ("Applicants submit that the definition of the term "transponder" as a credit card is incorrect because an ordinary credit card does not "emit" any information. The verb "emit" is a transitive verb which means to give off; to send out; to eject. *See* Merriam Webster's Collegiate Dictionary (10<sup>th</sup> ed. 1993) at p. 378. However, an ordinary credit card is a passive device with embedded information in a magnetic stripe that is read by a reader, just like a cassette tape.") Applicants respectfully submit that the Examiner has failed to consider the requirement of claim 26 that transponder identification information is emitted by a transponder in asserting that the credit card of Hennige and Jun discloses the transponder of claim 26, and has failed to respond to Applicants' argument in rebuttal. The MPEP expressly states that "[i]n order to provide a complete application file history and to enhance the clarity of the prosecution history record, an examiner must provide clear explanations if all actions taken by the examiner during prosecution of an application . . . [w]hen the applicant traverses any rejection, the examiner should, if he or she repeats the rejection, take note of the applicant's argument and answer the substance of it." *See* MPEP § 707.07(f) (emphasis added). Applicants therefore

Appln. No. 09/630,595  
Amendment and Response to Office Action dated April 20, 2005  
July 18, 2005

respectfully request that the Examiner take note of Applicants' argument in rebuttal and answer the substance of it if this rejection is maintained.

Regardless, and again in an effort to hasten this lengthy prosecution, Applicants have amended claim 26 not for reasons relating to patentability to recite that the transponder is an RFID transponder. Applicants continue to maintain that an ordinary credit card does not emit information, and the Examiner has made no such assertion that it does, and therefore the credit card of Hennige and Jun does not meet each and every limitation of claim 26. Accordingly, this amendment is not made for reasons relating to patentability but rather to expedite this prosecution.

**D. "In light of the specification."**

The Examiner asserts at ¶¶ 30-35 that he is to use the broadest claim interpretation during ex parte prosecution. Applicants maintain their position that the MPEP states and the case law clearly holds that claim terms are to be given their broadest reasonable interpretation consistent with the specification. See MPEP § 2111; *In re Hyatt*, 211 F.3d 1367, 1372, 54 USPQ2d 1664, 1667 (Fed. Cir. 2000).

**E. Other Arguments.**

Applicants note that there is no response given in ¶ 25 of the Office Action. Applicants further note that the response given in ¶ 37 is of insufficient clarity for Applicants to formulate a response. See MPEP § 707.07(f) (examiner must provide clear explanations of all actions taken during prosecution of an application).

**F. Notice of References Cited.**

Applicants note that the Examiner has cited the Restatement of the Law, Second, Contracts, §§ 1-385 and Comments, and sections of White & Summers' treatise on the Uniform Commercial Code as "pertinent to Applicants' disclosure," but are not aware of how these and other cited references are pertinent. Applicants' would appreciate guidance on how these references are pertinent, if such pertinence affects patentability of the claimed inventions.

Appln. No. 09/630,595  
Amendment and Response to Office Action dated April 20, 2005  
July 18, 2005

### CONCLUSION

Applicants respectfully request that the Examiner reconsider the claims in light of this Amendment and the remarks made herein, and allow all pending claims. This Amendment and Response was filed within three months of the mailing date of the Office Action and it is believed that no fees are due with the filing. If any fees are found to be due, please charge to Deposit Account No. 50-0206.

Respectfully submitted,

Date: July 18, 2005

By: 

Nancy J. Flint  
Registration No. 46,704  
HUNTON & WILLIAMS  
1111 Brickell Avenue, Suite 2500  
Miami, Florida 33131  
Tel.: (305) 810-2522  
Fax: (305) 810-2460